

ODP 1363-77
11 JUL 1977

File: ODA

*Copy to [unclear]
in ODA*

MEMORANDUM FOR: Deputy Director for Administration

FROM : Clifford D. May, Jr.
Director of Data Processing

SUBJECT : Reply to Letter from President's Reorganization Project

REFERENCE : Letter from President's Reorganization Project, dtd 15 June 1977, Subject: Improved Management of Federal Data Processing Resources

1. Action Requested: This memorandum forwards for your signature a memorandum to the DDCI containing a proposed response to referenced letter.

2. Background: The reference was routed to ODP to prepare a response. The President's Reorganization Project has requested comments on the issues, problems, and solutions that should be addressed in a study dedicated to improving the management of Federal data processing resources. The Comptroller and Directorate ADP Control Officers were contacted by ODP for their comments and the proposed reply reflects their input.

3. Recommendation: It is recommended that the attached memorandum be signed and forwarded to the DDCI along with the letter which has been prepared for his signature.

STATINTL

Clifford D. May, Jr.

Atts: a/s

Distribution:

Orig & 1 - Addressee
1 - ODP Registry
2 - O/D/ODP

O/D/ODP, [] /mlc/8July1977

STATINTL

14 JUL 1977

*Not signed
DFB signed at
w A DDC*

MEMORANDUM FOR: Deputy Director of Central Intelligence

FROM : John F. Blake
Deputy Director for Administration

SUBJECT : Reply to Letter from President's Reorganization Project

REFERENCE : Letter from President's Reorganization Project, dtd 15 June 1977, Subject: Improved Management of Federal Data Processing Resources

1. Action Requested: This memorandum forwards a letter for your signature in reply to the reference, attached.

2. Background: The President's Reorganization Project has initiated a comprehensive re-examination of Federal ADP Management and Policy. The Agency has been requested to submit comments on the issues, problems, and solutions that should be addressed in a study dedicated to improving the management of Federal data processing resources. In addition to the 31 issues identified in referenced letter, we have identified six new issues which are of common interest and we believe should be addressed in the study.

3. Staff Position: In the preparation of the proposed reply, the Office of Data Processing contacted each Directorate ADP Control Officer and the Comptroller to obtain their comments. The reply reflects their input and represents a coordinated response.

4. Recommendation: I recommend that you sign the proposed Agency response to the letter from the President's Reorganization Project.

[Signature]
John F. Blake

Atts: a/s

STATINTL

ORIGINATOR:



Clifford D. May, Jr., D/ODP

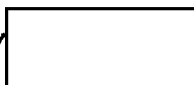
11 JUL 1977
Date

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2 - DDA
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1 - ODP Registry

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O/D/ODP/



lc/8July1977

14 July 1977

Mr. Wayne G. Granquist
Associate Director for Administrative Management
Office of Management and Budget
President's Reorganization Project
Washington, D. C. 20503

Dear Mr. Granquist:

In response to your letter to Director Turner dated June 15, 1977, let me say first that I strongly endorse a study to improve the management of Federal data processing resources. This is a familiar subject to me since I have recently initiated several positive steps to improve ADP management in this Agency.

We currently have personnel working on many of the issues you listed but have not made any comments on the issues themselves, believing that opportunity will come as a part of our participation in the study. My staff has suggested six additional issues for consideration. They are:

1. Guidelines for sharing data bases among organizations.
2. Guidelines for joint system development between organizations.
3. Policy and guidelines concerning micro-computers (personal computers).
4. Centralized procurement of unbundled systems software.
5. Special problems concerning ADP systems processing sensitive information, particularly implementation of contracting-out guidelines.
6. Impact of the trend toward decentralization of ADP facilities on current Federal management procedures and policies.

We are interested in active participation in several of the issue oriented task forces and would be pleased if you will keep us advised on your plans.

Sincerely,

John F. Blake
Acting Deputy Director

Distribution:

Orig - Addressee

1 - ADDCI

1 - ER

2 - DDA

STATINTL 2 - O/D/ODP

1 - ODP Registry

O/D/ODP/ mlc/14July1977

STATINTL

Staff Summary

Originator:

Action Requested: Action is to respond to OMB - Improved Management of ADP Resources (President's Reorganization Project). Is due on 11 July 1977. Action is in draft because of importance and sensitivity.

25X1A

Coordination/Background: The memo was sent to each Directorate ADP Control Officer and to DD/A, DD/P and C/SPS. We received positive responses from SPS, NPIC, DDO and the Comptroller, some via phone. We were underwhelmed!

References: All background references behind summary.

Current Date: 8 July 1977

SUGGESTED ADDITIONS TO FEDERAL DATA PROCESSING ISSUES

GUIDELINES FOR DATA BASE SHARING AMONG ORGANIZATIONS
GUIDELINES FOR JOINT SYSTEM DEVELOPMENT BETWEEN ORGANIZATIONS
POLICY AND GUIDELINES CONCERNING MICRO-COMPUTERS (PERSONAL COMPUTERS)
CENTRALIZED PROCUREMENT, particularly concerning system SOFTWARE
SPECIAL PROBLEMS CONCERNING SENSITIVE INFORMATION.
GUIDELINES FOR CENTRALIZATION - DECENTRALIZATION OF COMPUTER FACILITIES

STRONG INTEREST

SOFTWARE CONVERSION COST POLICY

DATA PROCESSING FUND POLICY

Evaluation of ALTERNATIVE METHODS OF FINANCING PROCUREMENTS

Delegation of PROCUREMENT AUTHORITY TO AGENCIES

STANDARDS ENFORCEMENT AUTHORITY

EVALUATION of ALTERNATIVE METHODS OF PROCUREMENT

CONVERGENCE OF DATA PROCESSING AND TELECOMMUNICATION

SOFTWARE DEVELOPMENT AND ACQUISITION

COMPUTER SECURITY POLICY

DATA PROCESSING PLANNING POLICY

REQUIREMENTS DEFINITION

ECONOMIC ANALYSIS (JUSTIFICATION FOR USE OF DATA PROCESSING)

INTERIM UPGRADE POLICY

Enclosure 1

better

- Strongly endorse the study and are ready to participate
 - Have personnel working on many of the issues, or aspects of the issues.
 - Have ~~up~~ additional ^{topics} ~~issues~~ or which ^{we suggest be added as} ~~may become~~ issues, or sub-topics under existing issues
 - Designate D/ODP as the person in charge for the CIA.
- We Have extremely strong interest in many of the issues and ~~we~~ will participate to fullest extent possible.



STATINTL

DO/ISS # 77-166

STATINTL

1 JUL 1977

ODP # 1323-77

STATINTL

MEMORANDUM FOR: [REDACTED]
Chief, Management Staff, ODP

FROM : [REDACTED]
Acting Chief, Information Services Staff, DDO

SUBJECT : Comments on the Proposed Study of ADP
Management in the Federal Government (A/IUO)

REFERENCE : Memorandum from C/Management Staff, ODP to
Directorate ADP Control Officers, Subject:
Federal Data Processing Reorganization Study,
dated 27 June 1977 (U)

We suggest that you include a statement in the Agency's response to the proposal which indicates a need to consider the special problems of Agencies whose computers are used to process sensitive information.

STATINTL



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OFFICIAL ROUTING SLIP

TO	NAME AND ADDRESS	DATE	INITIALS
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<input type="checkbox"/>	CONCURRENCE	<input type="checkbox"/>	INFORMATION	<input type="checkbox"/>	SIGNATURE

Remarks:

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FROM: NAME, ADDRESS AND PHONE NO.

DATE

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- Guidelines for determining
the practicality of
sharing on-line data bases
among organizations
- Guidelines for determining
the extent to which
systems should be
jointly developed and
procured between organi-
zations.

STATINTL

From

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STATINTL

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Remarks:


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5 July 1977

STATINTL

MEMORANDUM FOR: Chief, Management Staff, ODP
FROM : 
DDI ADP Coordinator
SUBJECT : Federal Data Processing Reorganization
Study
REFERENCE : Your memo for Directorate ADP Control
Officers; same subject; dtd 27 June 1977

After reviewing the Federal Data Processing Reorganiza-
tion Study materials forwarded with the cited reference, we
have not identified any additional issues, problems, etc.
that should be addressed in this study.

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PSG/CSD-226/77
7 July 1977

MEMORANDUM FOR: Chief, Management Staff, ODP

SUBJECT : Federal Data Processing Reorganization Study

REFERENCE : ODP 1277, Same Subject

1. The Computer Services Division of NPIC (and its predecessors) has been directly involved with most aspects of ADP since 1957 and we feel that we have encountered most of the issues that could possibly arise in automatic data processing. In many of these encounters there has either been an absence of policy that could guide us, or the established policy has been arrived at by sweeping generalization from an insufficient number of specific cases and is, in my view, inappropriate for the situation at hand. Thus it is that we whole-heartedly endorse any move to establish a comprehensive and rational policy that will guide the deployment and employment of ADP equipment in the Federal establishment taking into consideration the greater sensitivity of information and intelligence functions which our systems support for CIA and the Intelligence Community at large.

2. The enumerated topics that we find of particular interest and concern are:

- Evaluation of alternative methods of procurement
- Convergence of data processing and telecommunications
- Software development and acquisition
- Computer security policy.

We are also very concerned with the entire question of requirements definition. At the hardware level, how does one establish what is a necessary and sufficient capability to handle a heterogeneous collection of applications over a period of several years? At the application level, how does one avoid the pitfalls inherent in automating each element of a non-automated procedure and at the same time avoid the problems that arise in implementing turnkey systems that completely replace large complexes of existing procedures?

3. May I also suggest that a first step would be to consolidate the issues identified into perhaps half a dozen groups (as there is considerable overlap in many of the issues) and to establish some

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SUBJECT: Federal Data Processing Reorganization Study

priority of issues that offer the greatest potential for cost-effectiveness in the application of ADP. It is far too easy to "blame" the management of ADP for what "appears" to be high ADP costs without recognizing that ADP, more than any other support function, has been the most important parameter in allowing expanded Federal Government services with substantially less Federal personnel employment than would otherwise be expected in comparison with population growth, GNP and large increases in personnel in state and local government support activities.

STATINTL

4. We are prepared to participate with ODP in this OMB effort.


NPIC ADP Coordinator

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STATINTL

ODP 1277-77
27 June 1977

MEMORANDUM FOR: Directorate ADP Control Officers

FROM :
Chief, Management Staff, ODP

SUBJECT : Federal Data Processing Reorganization Study

1. The President's Reorganization Project has initiated a comprehensive re-examination of Federal ADP management and policy. ODP is serving as the action office in pulling together comments for the Agency's response to the attached letter.

2. Please forward your comments on the issues, problems, and solutions that you believe should be addressed in a study dedicated to improving the management of Federal data processing resources. I would like your comments by 5 July 1977.

STATINTL

Att: a/s



ODP 1277-77
27 June 1977

STATINTL

MEMORANDUM FOR: Directorate ADP Control Officers
FROM :
Chief, Management Staff, ODP
SUBJECT : Federal Data Processing Reorganization Study

1. The President's Reorganization Project has initiated a comprehensive re-examination of Federal ADP management and policy. ODP is serving as the action office in pulling together comments for the Agency's response to the attached letter.

2. Please forward your comments on the issues, problems, and solutions that you believe should be addressed in a study dedicated to improving the management of Federal data processing resources. I would like your comments by 5 July 1977.

STATINTL

Att: a/s



TRANSMITTAL SLIP		DATE
TO: DD/P		
ROOM NO.	BUILDING	
REMARKS:		
<p>Attached are copies of a request to Directorate ADP Control Officers for comments on issues, problems, and solutions for improving the management of Federal data processing resources.</p> <p>I would also appreciate your comments. May I have them by 5 July.</p>		
FROM:		
ROOM NO.	BUILDING	EXTENSION

FORM NO. 241
1 FEB 55

REPLACES FORM 36-8
WHICH MAY BE USED.

(47)

STATINTL

MEMORANDUM FOR:	C / MS / ODP
	ATTN: MR []
My comment is	
"NO COMMENT"	
[]	
Date	

FORM 101 USE PREVIOUS
5-75 EDITIONS



PRESIDENT'S
REORGANIZATION
PROJECT

DD/PK REGISTRY
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Approved For Release 2002/05/01 : CIA-RDP84-00933R000400040031-2

WASHINGTON, D.C. 20503

JUN 15 1977

Honorable Stansfield Turner
Director
Central Intelligence Agency
Washington, D.C. 20505

Dear Mr. Turner:

In fiscal year 1978 the Federal Government will spend over \$4 billion and employ more than 150,000 people in the area of general purpose data processing. There is growing recognition that these resources are not being acquired and managed in the most economic and efficient manner. To address and begin to solve these problems, the President's Reorganization Project has initiated a comprehensive re-examination of Federal ADP management and policy. An outline of the project is enclosed.

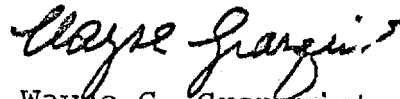
The President has established three basic criteria for the project: it should be based on careful and comprehensive analysis; it should be conducted in a manner which permits the largest number of people both within and outside Government to be involved; and it should be a decision forcing, action oriented process. Accordingly, one of our first objectives is to seek out and receive views from those persons and organizations with an interest in the management of Federal data processing resources.

We invite your organization to submit comments to us by July 15, 1977 on the issues, problems and solutions that you believe should be addressed in a study dedicated to improving the management of Federal data processing resources. A list of issues and problems that have previously been identified is enclosed as an initial guide to our concerns. It is by no means all inclusive, so use or ignore this list as you deem appropriate.

In order to assure that all those concerned participate, please provide a copy of this letter to other persons and organizations who might be interested in submitting separate responses.

The management of Federal data processing resources is a significant factor in the delivery of governmental services and the operations of Government. The goal of this project is to assure the effective and efficient use of those resources. I hope you will help in achieving that goal.

Sincerely,



Wayne G. Granquist
Associate Director for
Administrative Management

2 Enclosures

- ° In FY 1978, the Federal Government plans to spend more than \$4 billion and employ more than 150,000 Federal and contractor personnel to operate over 11,000 computers.
- ° Over the past few years there has been rising criticism of Government computer use. Serious questions exist about the adequacy of the management of these resources. There is also concern that this technology represents a threat to individual privacy.
- ° The ADP Reorganization Project will focus on:
 - 1. Improving productivity in the delivery of governmental services through the application of computer technology;
 - 2. Improving the acquisition, management and use of these resources; and
 - 3. Eliminating duplication and overlap in agency jurisdictions dealing with computer questions.
- ° While the study is intended to be a comprehensive re-examination of Federal data processing, it will be structured in a fashion which will permit pieces to be spun off and acted upon throughout the period of the study.
- ° It is anticipated that the full study and initial implementation of recommendations will take 10-12 months.
- ° The study will be coordinated as a part of the President's Reorganization Project and organized into a small full-time project management staff and a series of issue oriented task forces composed of individuals from the private sector, Federal agencies and OMB.
- ° Because various organizations associated with Federal data processing activities hold widely divergent views on objectives and priorities, special efforts will be made to solicit their input in the early stages of the study.

Enclosure 1

PRELIMINARY LIST OF FEDERAL DATA PROCESSING ISSUES

- Data processing planning process
- Requirements definition
- Economic analysis (justification for use of data processing)
- Evaluation of alternative sources of computer support (sharing, private sector, in-house, etc.)
- Evaluation of alternative methods of procurement (full competition, brand name or equal, sole make and model, sole source, etc.)
- Evaluation of alternative methods of financing procurements (outright purchase, lease, lease with option to purchase, lease to purchase, etc.)
- Central agency (OMB, GSA, NBS) vs. user agency responsibilities
- Central agency (OMB, GSA, NBS) policies and regulations
- Convergence of data processing and telecommunications
- Application life-cycle vs. equipment life cycle planning and management
- Data processing application program evaluation
- Integration of program and data processing budgets
- Management audits of data processing operations
- Processing of agency procurement requests
- Delegations of procurement authority to agencies
- Data processing planning and budget information
- Interim upgrade policy
- Software conversion cost policy
- Software development and acquisition
- Goals and objectives of standards program
- Standards enforcement authority
- Computer resources management systems
- Data processing work accounting systems
- Data processing job classifications
- Certification of data processing personnel
- Career development and training
- Computer security policy
- Full cost recovery policy
- Data processing fund policy
- Functional performance specifications policy
- Software Exchange Program
- Etc.

Enclosure 2

P.R.C. on ADP Issues -

STATINTL

[redacted] - via phone - 5 July 1977

- Policy with regard to*
- N 1. Micro processors or personal computers systems*
 - N 2. Central procurement, particularly in regard to software & procurement policy (unbundling)*

STATINTL

[redacted]

Sensitive Special problems of Agencies ~~and~~ which handle sensitive information

STATINTL *[redacted] via phone ^{5 July} will respond by 6 July - no comment -*

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PSG/CSD-226/77
7 July 1977

MEMORANDUM FOR: Chief, Management Staff, ODP

SUBJECT : Federal Data Processing Reorganization Study

REFERENCE : ODP 1277, Same Subject

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SUBJECT: Federal Data Processing Reorganization Study

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4. We are prepared to participate with ODP in this OMB effort. STATINTL



NPIC ADP Coordinator

UNCLASSIFIED

7 July 1977

STATINTL

MEMORANDUM FOR: Chief, Management Staff,
Office of Data Processing

FROM: [REDACTED] M.D., M.P.H.
Medical Systems Development Officer,
Office of Medical Services

SUBJECT: Federal Data Processing Reorganization Study

REFERENCE: C/MS/ODP dtd 27 Jun 77 same subject
(ODP 1277-77)

As part of the study of Federal ADP management and policy, it is requested the following items be afforded evaluation and favorable consideration:

1. The closely monitored use of minicomputers and distributive processing to meet the unique needs of selected offices within an organization because of privacy, medical confidentiality, security and other real or preceived requirements.

2. Continuation of the use of sole source acquisition of ADP hardware, software and services for justifiable reasons.

3. When a central ADP office within an agency provides software support to USER offices and it is determined a given number of ADP personnel are to be assigned to work on a given office's applications, it is recommended consideration be given to assigning the ADP personnel to the USER office for specific assignment periods rather than have them retained by the central ADP office.

STATINTL

[REDACTED] M.D., M.P.H.

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